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No. 06-1155

Supreme Court, U.S.
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In The
Supreme Court of the United States

ZOLTEK CORPORATION,

Petitioner,

v.

UNITED STATES OF AMERICA,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

BRIEF OF TWENTY-EIGHT LAW PROFESSORS AS *AMICI CURIAE* IN SUPPORT OF PETITIONER

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TABLE OF CONTENTS

	Page
INTERESTS OF *AMICI CURIAE*	1
SUMMARY OF ARGUMENT	1
ARGUMENT	5
I. The Supreme Court and Many Lower Federal Courts Have Applied the Takings Clause to Patents	5
A. Nineteenth-Century Courts Classified Patents as "Property."	6
B. Nineteenth-Century Courts Recognized a Patentee's Right to Sue for Just Compensation Under the Takings Clause for an Unauthorized Use by Governmental Officials	9
II. Nineteenth-Century Courts Recognized Statutory Property Rights in Patents as Equivalent to Common-Law Property Rights for Purposes of Applying the Takings Clause	14
III. The *Zoltek* Decision Results from Confusion Sowed by *Dictum* in *James v. Campbell* that Patentees Were Unable to Sue Federal Officials Under the Takings Clause	17
CONCLUSION	19

TABLE OF AUTHORITIES

Page

CASES

Allen v. New York, 1 F. Cas. 506 (C.C.S.D. N.Y. 1879) (No. 232) 8

Ayling v. Hull, 2 F. Cas. 271 (C.C.D. Mass. 1865) (No. 686) 8

Ball v. Withington, 2 F. Cas. 556 (C.C.S.D. Ohio 1874) (No. 815) 8

Batten v. Silliman, 2 F. Cas. 1028 (C.C.E.D. Pa. 1855) (No. 1,106) 7

Belding v. Turner, 3 F. Cas. 84 (C.C.D. Conn. 1871) (No. 1,243) 12

Brooks v. Byam, 4 F. Cas. 261 (C.C.D. Mass. 1843) (No. 1,948) 7

Buck v. Cobb, 4 F. Cas. 546 (C.C.N.D.N.Y. 1847) (No. 2,079) 7

Burliegh Rock-Drilling Co. v. Lobdell, 4 F. Cas. 750 (C.C.D. Mass. 1875) (No. 2,166) 7

Cammeyer v. Newton, 94 U.S. 225 (1876) ..... *passim*

Campbell v. James, 4 F. Cas. 1168 (C.C.S.D.N.Y. 1879) (No. 2,361) 2, 15, 16

Carew v. Boston Elastic Fabric Co., 5 F. Cas. 56 (C.C.D. Mass. 1871) (No. 2,398) 8

Carr v. Rice, 5 F. Cas. 140 (C.C.S.D.N.Y. 1856) (No. 2,440) 6

Davoll v. Brown, 7 F. Cas. 197 (C.C.D. Mass. 1845) (No. 3,662) 7

Dobson v. Campbell, 7 F. Cas. 783 (C.C.D. Me. 1833) (No. 3,945) 7

TABLE OF AUTHORITIES – Continued

Page

Earle v. Sawyer, 8 F. Cas. 254 (C.C.D. Mass. 1825) (No. 4,247) 8

Eastman v. Bodfish, 8 F. Cas. 269 (C.C.D. Me. 1841) (No. 4,255) 7

eBay Inc. v. MercExchange, L.L.C., 126 S. Ct. 1837 (2006) 3

Ex parte Wood, 22 U.S. (9 Wheat.) 603 (1824) 6

Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd., 535 U.S. 722 (2002) 3, 4, 5, 14, 17

Gay v. Cornell, 10 F. Cas. 110 (C.C.S.D.N.Y. 1849) (No. 5,280) 8

Goodyear Dental Vulcanite Co. v. Van Antwerp, 10 F. Cas. 749 (C.C.D.N.J. 1876) (No. 5,600) 7

Grant & Townsend v. Raymond, 10 F. Cas. 985 (C.C.S.D.N.Y. 1829) (No. 5,701) 8

Gray v. James, 10 F. Cas. 1019 (C.C.D. Pa. 1817) (No. 5,719) 8

Hayden v. Suffolk Mfg. Co., 11 F. Cas. 900 (C.C.D. Mass. 1862) (No. 6,261) 6

Hovey v. Henry, 12 F. Cas. 603 (C.C.D. Mass. 1846) (No. 6,742) 6

Jacobs v. United States, 290 U.S. 13 (1933) 6

James v. Campbell, 104 U.S. 356 (1881) .....*passim*

Lightner v. Kimball, 15 F. Cas. 518 (C.C.D. Mass. 1868) (No. 8,345) 8

Livingston v. Jones, 15 F. Cas. 669 (C.C.W.D. Pa. 1861) (No. 8,414) 7

TABLE OF AUTHORITIES – Continued

Page

McClurg v. Kingsland, 42 U.S. (1 How.) 202 (1843) 8, 9, 10, 11, 14

McKeever v. United States, 14 Ct. Cl. 396 (1878) ..... *passim*

Penn Central Trans. Co. v. City of New York, 438 U.S. 104 (1978) 5

Pennock v. Dialogue, 27 U.S. (2 Pet.) 1 (1829) 7

Russell v. United States, 182 U.S. 516 (1901) 14

Schillinger v. United States, 155 U.S. 163 (1894) 2, 3, 5, 18

The Society for the Propagation of the Gospel in Foreign Parts v. Town of New Haven, 21 U.S. (8 Wheat.) 464 (1823) 9

United States v. Buffalo Pitts Co., 234 U.S. 228 (1914) 14

United States v. Burns, 79 U.S. 246 (1870) ..... *passim*

Vanhorne's Lessee v. Dorrance, 2 U.S. (2 Dall.) 304 (1795) 13

Warner-Jenkinson Co. v. Hilton Davis Chemical Co., 520 U.S. 17 (1997) 3

Wheaton v. Peters, 33 U.S. (8 Pet.) 591 (1834) 15

Zoltek Corp. v. United States, 442 F.3d 1345 (Fed. Cir. 2006) ..... *passim*

CONSTITUTIONAL PROVISIONS

U.S. Const. art. I, § 8, cl. 8 12

STATUTES

28 U.S.C. § 1498 ..... *passim*

TABLE OF AUTHORITIES – Continued

Page

LEGISLATIVE HISTORY

H.R. Rep. No. 61-1288 (1910) 2, 3, 18

OTHER AUTHORITIES

Adam Mossoff, *Patents as Constitutional Private Property: The Historical Protection of Patents under the Takings Clause*, 87 B.U. L. Rev. (forthcoming 2007) 5

Theodore D. Woolsey et al., *The First Century of the American Republic* 443 (1876) 13

INTERESTS OF *AMICI CURIAE*[1]

Amici are twenty-eight law professors specializing in intellectual property law, property law, and constitutional law. Each of the *amici* teach and write in one or more of these fields, and they have an interest in promoting continuity in the evolution of these interrelated doctrines. Although *amici* differ amongst themselves on many aspects of modern intellectual property, property and constitutional doctrines, they are united in their professional opinion that this Court and lower federal courts have historically secured patents under the Takings Clause as constitutional private property.

SUMMARY OF ARGUMENT

This case presents this Court with a conflict between the Court of Appeals for the Federal Circuit and numerous decisions by this Court, Circuit Courts, and other lower federal courts that patents are constitutional private property under the Takings Clause of the Fifth Amendment. *See, e.g., Cammeyer v. Newton,* 94 U.S. 225, 234 (1876) (holding that federal officials are not immune from patent infringement lawsuits because "[p]rivate property, the Constitution provides, shall not be taken for public use without just compensation"); *United States v. Burns*, 79 U.S. 246, 252 (1870) (holding that "the government cannot,

[1] Pursuant to Rule 37.6 of the Rules of this Court, this brief has not been authored in whole or in part by counsel for a party, and only the Michigan State University College of Law has paid for the preparation and submission of this brief. Pursuant to Rule 37.2(a), *amici* state that Petitioner and Respondent have both granted consent to file this brief.

after the patent is issued, make use of the improvement any more than a private individual, without license of the inventor or making compensation to him"); *Campbell v. James*, 4 F. Cas. 1168, 1172 (C.C.S.D.N.Y. 1879) (No. 2,361), *rev'd on other grounds*, *James v. Campbell*, 104 U.S. 356 (1881) (holding that the "property [in a patent], like all other private property recognized by law, is exempt from being taken for public use without just compensation, by the supreme law of the land"); *McKeever v. United States*, 14 Ct. Cl. 396, 420 (1878) (holding that the federal government is prohibited from "appropriat[ing] the property of the inventor"). These decisions have never been overruled or limited and thus remain good law to this day.

The Federal Circuit failed to acknowledge the existence of these precedents and thus directly contradicted them in its decision below, concluding wrongly that patents have never been secured by this Court, or any other court, under the Takings Clause. *Zoltek Corp. v. United States*, 442 F.3d 1345 (Fed. Cir. 2006), *rehearing en banc denied*, 464 F.3d 1335 (2006). In reaching this conclusion, the Federal Circuit misinterpreted the 1910 predecessor statute to 28 U.S.C. § 1498, the provision that mandates that patentees be paid "reasonable and entire compensation" for unauthorized governmental uses of their property, as allegedly justifying its decision that patents are not constitutional private property. *Zoltek*, 442 F.3d at 1351 (citing H.R. Rep. No. 61-1288 at 3 (1910)). The purpose of this legislation, however, was to correct the mistaken decision in *Schillinger v. United States*, 155 U.S. 163 (1894), that federal courts lacked jurisdiction to hear a patentee's claim for a taking of its property. This is made clear by the very committee report cited by *Zoltek*, as this report repeatedly cites this Court's earlier decisions in

Cammeyer and *Burns*, as well as *McKeever* and other lower federal court's decisions, that patents are directly secured under the Takings Clause as constitutional private property. *See* H.R. Rep. No. 61-1288 at 1-4.

In order to understand the magnitude of the Federal Circuit's unprecedented decision below – how it has badly misconstrued both *Schillinger* and the legislative history of the predecessor statute to § 1498 – it is necessary to discuss in detail this binding and viable case law from the eighteen hundreds. Such historical precedents are important, because this Court has made it clear in its recent patent law decisions that such binding case law is determinative in defining the scope of legal protection afforded to a patentee's property today. *See eBay Inc. v. MercExchange, L.L.C.*, 126 S. Ct. 1837, 1838 (2006) (holding that nothing in the 1952 Patent Act implied a "departure from the long tradition of equity practice" in patent law) (citation omitted). In fact, this Court has consistently held that nineteenth-century patent law decisions are directly relevant in assessing a patentee's reasonable expectations in its property today. *See Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 535 U.S. 722, 739 (2002) (noting that long-standing patent rights constitute "the legitimate expectations of inventors in their property"); *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17, 25-26 (1997) (holding that the doctrine of equivalents, a nineteenth-century judicially-created patent infringement doctrine, remains good law and was not repealed by its omission from Congress's enactment of the 1952 Patent Act); *see also eBay*, 126 S. Ct. at 1841-42 (2006) (Roberts, C.J., concurring) (emphasizing that modern patent law should maintain fidelity to long-standing, nineteenth-century legal doctrines).

This Court's frequent reliance on viable patent law decisions from the eighteen hundreds has been necessitated by the Federal Circuit's equally frequent willingness to ignore or directly contradict this important case law, and this case is no exception. Since the Federal Circuit has sole jurisdiction to hear all patent appeals, it is impossible for there to be a circuit split in a manner that normally requires resolution by this Court. However, in deciding that patents are not constitutional private property under the Takings Clause, *Zoltek* directly contradicts decisions by this Court and lower federal courts from the late eighteen hundreds that remain binding and viable law to this day. This conflict demands correction – and can only be corrected – by this Court.

This Court therefore should accept Petitioner's Writ of Certiorari to resolve this conflict between the Federal Circuit's decision below and the long-standing decisions by this Court and many lower federal courts that patents are constitutional private property under the Takings Clause of the Fifth Amendment. In its Petition for Writ of Certiorari, Petitioner details the relevant twentieth-century statutes and case law that conflict with the *Zoltek* decision, and emphasizes the national importance of the ill effects of this decision on the fundamental patent policy in promoting technological and scientific innovation. A review of the binding historical precedents further underscores the degree to which the Federal Circuit has wrongly decided that patents are not secured under the Taking Clause. In sum, in wrongly holding that patents are not secured under the Takings Clause of the Fifth Amendment, the Federal Circuit continues to ignore this Court's injunction in *Festo* that it must neither "disrupt" nor "risk destroying the legitimate expectations of inventors in their

property." *Festo*, 535 U.S. at 739; *cf. Penn Central Trans. Co. v. City of New York*, 438 U.S. 104, 124 (1978) (identifying "investment-backed expectations" as a factor in whether a government regulation results in a taking of property).

ARGUMENT[2]

I. The Supreme Court and Many Lower Federal Courts Have Applied the Takings Clause to Patents.

In ruling that patents are not constitutional private property, the Federal Circuit ignored the numerous binding court decisions that pre-dated both *Schillinger* and the 1910 predecessor statute to § 1498 – the two historical precedents relied on by the *Zoltek* majority to justify its decision below. Notably, Congress repeatedly cited this earlier case law in enacting the 1910 predecessor statute to § 1498, but it is impossible to understand why Congress did this without first knowing this extensive historical context. Thus, it is necessary to recount the historical progression in federal court decisions in the eighteen hundreds that resulted in this Court and other federal courts repeatedly deciding that patents were constitutional private property.

[2] This section is adapted from a forthcoming article by the author of this brief. *See* Adam Mossoff, *Patents as Constitutional Private Property: The Historical Protection of Patents under the Takings Clause*, 87 B.U. L. Rev. (forthcoming 2007), *available at* http://papers.ssrn.com/sol3/papers.cfm?abstract_id=924226.

As a historical matter, courts believed that they needed two constitutional predicates to secure rights under the Takings Clause: First, courts must classify the legal entitlement as "property," because the Takings Clause secures only "private property," and, second, a property owner must have the ability to bring the government into court as a defendant.[3] Perhaps unsurprisingly, the conclusion in the late nineteenth century that the Takings Clause protected patents was based on a jurisprudence that first focused on these two constitutional requirements.

A. Nineteenth-Century Courts Classified Patents as "Property."

With respect to the first requirement, nineteenth-century courts unequivocally defined patents as a type of property. As early as 1824, Justice Story wrote for a unanimous Supreme Court: "The inventor has, during [the patent term] period, a property in his inventions; a property which is often of very great value, and of which the law intended to give him the absolute enjoyment and possession." *Ex parte Wood*, 22 U.S. (9 Wheat.) 603, 608 (1824).[4] Moreover, in adjudicating patent cases, federal

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[3] This second prong was mooted by *Jacobs v. United States*, 290 U.S. 13 (1933), in which this Court held that the Takings Clause is a self-executing constitutional provision.

[4] *See also Hayden v. Suffolk Mfg. Co.*, 11 F. Cas. 900, 901 (C.C.D. Mass. 1862) (No. 6,261) (instructing jury that a "patent right, gentlemen, is a right given to a man by law where he has a valid patent, and, as a legal right, is just as sacred as any right of property"); *Carr v. Rice*, 5 F. Cas. 140, 146 (C.C.S.D.N.Y. 1856) (No. 2,440) (noting that "assignees [of a patent] become the owners of the discovery, with perfect title," and thus "[p]atent interests are not distinguishable, in this respect, from other kinds of property"); *Hovey v. Henry*, 12 F. Cas. 603, 604

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courts explicitly relied on *real property* case law,[5] and similarly invoked traditional common-law property concepts, such as "trespass"[6] and "piracy."[7] Substantively and

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(C.C.D. Mass. 1846) (No. 6,742) (Woodberry, Circuit Justice) (instructing jury that "[a]n inventor holds a property in his invention by as good a title as the farmer holds his farm and flock"); *Davoll v. Brown*, 7 F. Cas. 197, 199 (C.C.D. Mass. 1845) (No. 3,662) (stating in patent infringement case that "we protect intellectual property, the labors of the mind, . . . as much a man's own, and as much the fruit of his honest industry, as the wheat he cultivates, or the flocks he rears").

[5] *See, e.g., Brooks v. Byam*, 4 F. Cas. 261, 268-70 (C.C.D. Mass. 1843) (No. 1,948) (Story, Circuit Justice) (analogizing a patent license to "a right of way granted to a man for him and his domestic servants to pass over the grantor's land," citing a litany of real property cases from classic common law authorities, such as Coke's *Institutes*, Coke's *Littleton*, Viner's *Abridgment*, and Bacon's *Abridgement*); *Dobson v. Campbell*, 7 F. Cas. 783, 785 (C.C.D. Me. 1833) (No. 3,945) (Story, Circuit Justice) (relying on real property equity cases in which "feoffment is stated without any averment of livery of seisin" in assessing validity of patent license).

[6] *See, e.g., Goodyear Dental Vulcanite Co. v. Van Antwerp*, 10 F. Cas. 749, 750 (C.C.D.N.J. 1876) (No. 5,600) (analogizing patent infringement to a "trespass" of horse stables); *Burliegh Rock-Drilling Co. v. Lobdell*, 4 F. Cas. 750, 751 (C.C.D. Mass. 1875) (No. 2,166) (noting that the defendants "honestly believ[ed] that they were not trespassing upon any rights of the complainant"); *Livingston v. Jones*, 15 F. Cas. 669, 674 (C.C.W.D. Pa. 1861) (No. 8,414) (accusing defendants of having "made large gains by trespassing on the rights of the complainants"); *Eastman v. Bodfish*, 8 F. Cas. 269, 270 (C.C.D. Me. 1841) (No. 4,255) (Story, Circuit Justice) (comparing evidentiary rules in a patent infringement case to relevant evidentiary rules in a trespass action).

[7] *See, e.g., Pennock v. Dialogue*, 27 U.S. (2 Pet.) 1, 12 (1829) (Story, J.) (recognizing that "if the invention should be pirated, [this] use or knowledge, obtained by piracy" would not prevent the inventor from obtaining a patent); *Batten v. Silliman*, 2 F. Cas. 1028, 1029 (C.C.E.D. Pa. 1855) (No. 1,106) (decrying defendant's "pirating an invention"); *Buck v. Cobb*, 4 F. Cas. 546, 547 (C.C.N.D.N.Y. 1847) (No. 2,079) (recognizing goal of patent laws in "secur[ing] to inventors the rewards of their genius against the incursions of pirates"); *Dobson v. Campbell*, 7 F. Cas. 783, 785 (C.C.D. Me. 1833) (No. 3,945) (Story, Circuit Justice) (concluding that patent-assignee has been injured by "the piracy of the

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rhetorically, nineteenth-century courts believed that "the [patent] right is a species of property." *Allen v. New York*, 1 F. Cas. 506, 508 (C.C.S.D. N.Y. 1879) (No. 232).[8]

In *McClurg v. Kingsland*, 42 U.S. (1 How.) 202 (1843), this Court began laying the groundwork for recognizing that the property rights in patents qualified them for constitutional protection under the Takings Clause. Although not a takings case, the *McClurg* Court held that Congress could not *retroactively* limit property rights that had been secured in now-repealed patent statutes. *Id.* at 206. Justice Baldwin's opinion for the unanimous Court acknowledged that "the powers of Congress to legislate upon the subject of patents is plenary by the terms of the Constitution." *Id.* Nonetheless, he concluded that "a repeal [of a patent statute] can have no effect to impair the right of property then existing in a patentee, or his assignee,

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defendant"); *Grant & Townsend v. Raymond*, 10 F. Cas. 985, 985 (C.C.S.D.N.Y. 1829) (No. 5,701) (noting that the patented machine had "been pirated" often); *Earle v. Sawyer*, 8 F. Cas. 254, 258 (C.C.D. Mass. 1825) (No. 4,247) (Story, Circuit Justice) (instructing jury that an injunction is justified by defendant's "piracy by making and using the machine").

[8] *See also Ball v. Withington*, 2 F. Cas. 556, 557 (C.C.S.D. Ohio 1874) (No. 815) (noting that patents are a "species of property"); *Carew v. Boston Elastic Fabric Co.*, 5 F. Cas. 56, 57 (C.C.D. Mass. 1871) (No. 2,398) (explaining that "the rights conferred by the patent law, being property, have the incidents of property"); *Lightner v. Kimball*, 15 F. Cas. 518, 519 (C.C.D. Mass. 1868) (No. 8,345) (noting that "every person who intermeddles with a patentee's property . . . is liable to an action at law for damages"); *Ayling v. Hull*, 2 F. Cas. 271, 273 (C.C.D. Mass. 1865) (No. 686) (discussing the "right to enjoy the property of the invention"); *Gay v. Cornell*, 10 F. Cas. 110, 112 (C.C.S.D.N.Y. 1849) (No. 5,280) (recognizing that "an invention is, within the contemplation of the patent laws, a species of property"); *Gray v. James*, 10 F. Cas. 1019, 1021 (C.C.D. Pa. 1817) (No. 5,719) (referring to a breach of a patent as "an unlawful invasion of property").

according to the well-established principles of this court." *Id.* In sum, a patent issued under now-repealed statutes vested property rights in an inventor, so that "the patent must therefore stand as if the [now-repealed] acts . . . remained in force." *Id.*

In defending the vested property rights in patents, Justice Baldwin relied on the "well-established principles of this court," *id.*, citing a single case – this Court's earlier decision in *The Society for the Propagation of the Gospel in Foreign Parts v. Town of New Haven*, 21 U.S. (8 Wheat.) 464 (1823). *Society* addressed neither patents nor takings; rather, it adjudicated the status of property rights in *land* under the treaty that concluded the Revolutionary War. In this case, the Court held that "the termination of a treaty cannot devest rights of property already vested under it." *Id.* at 493. A contrary rule, declared the unanimous *Society* Court, "would overturn the best established doctrines of law, and sap the very foundation on which property rests." *Id.* at 494. In relying on such "well established principles" set forth in *Society*, the *McClurg* Court directly linked patents with traditional property rights as a matter of legal and constitutional doctrine.

B. Nineteenth-Century Courts Recognized a Patentee's Right to Sue for Just Compensation Under the Takings Clause for an Unauthorized Use by Governmental Officials.

Beginning in the 1870s, this Court built on these antebellum decisions and laid the groundwork for satisfying the second requirement for securing patents as constitutional private property – establishing a patentee's right to sue the government for an unauthorized use of a patent as a taking of private property. This process began in

United States v. Burns, 79 U.S. 246 (1870), in which this Court affirmed the Court of Claims' decision to award damages to a patentee for an unauthorized governmental use of his patented invention. Here, the Solicitor General argued that the "government may have acted tortiously in making tents under the patent when it had no right by contract to do so. But for relief against such action, Congress is the body to address." *Id.* at 251. This is the exact argument the Solicitor General would make if the *Zoltek* court is correct that patentees have always lacked the ability to sue the government for a taking under the Fifth Amendment. The *Burns* Court summarily rejected this argument. Consistent with *McClurg*, this Court concluded that "the government cannot, after the patent is issued, make use of the improvement any more than a private individual, without license of the inventor *or making compensation to him.*" *Id.* at 252 (emphasis added).

Six years later in *Cammeyer v. Newton*, 94 U.S. 225 (1876), this Court directly considered the question of whether federal officials were immunized from a claim for infringement under the patent statutes when they used a patented invention without the patentee's permission. The *Cammeyer* defendants were federal officials who defended their actions, in part, by claiming sovereign immunity from infringement claims because they acted within the scope of their official authority. *Id.* at 234. The *Cammeyer* Court again rejected the government's argument, acknowledging the constitutional mandate that "[a]gents of the public have no more right to take such private property than other individuals." *Id.* at 234-35. Expressly invoking the Takings Clause, *id.* at 234 (stating that "[p]rivate property, the Constitution provides, shall not be taken for public use without just compensation"), this

Court held that this constitutional provision provided patentees with a remedy when state officials perpetrated an "invasion of the private rights of individuals." *Id.* at 235. Significantly, the *Cammeyer* Court cited *Burns* as "conclusive support for this proposition." *Id.*[9]

The takings principles expressed in *Cammeyer*, *Burns* and *McClurg* came to fruition in the famous and oft-cited takings decision in *McKeever v. United States,* 14 Ct. Cl. 396 (1878), in which the Court of Claims directly held that patents are secured as constitutional private property under the Takings Clause. Similar to the patentee in *Cammeyer*, the plaintiff-patentee, Samuel McKeever, sued the U.S. government in the Court of Claims, alleging an unconstitutional taking of his property without compensation. *Id.* at 397. The government again repeated its sovereign immunity claim, arguing that patents, as special grants of legal privileges *from* the government, did not apply *against* the government. *Id.* at 416-17 (citing English case law holding that the Crown was privileged in using patented inventions without authorization). Relying explicitly on *Cammeyer*, *Burns* and *McClurg*, the *McKeever* court rejected this argument and firmly placed patents within the scope of private property rights secured under the Takings Clause.

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[9] After deciding this threshold issue of whether a patentee had a right to sue for compensation under the Takings Clause, the *Cammeyer* Court then engaged in the substantive assessment of whether the federal officials had in fact infringed Cammeyer's patent. Ultimately, this Court affirmed the lower court's decision that the federal officials had not actually infringed the patent. *See Cammeyer*, 94 U.S. at 235-38.

The *McKeever* court agreed with the government that patents – representing the "property in the mind-work of the inventor" – were not protected at common law, and that their origin was found in the English Crown's royal prerogative to grant manufacturing monopolies. *Id.* at 417-19. It noted that England remained wedded to the view of a patent as "a grant" issuing solely from "royal favor," and therefore it "shall not exclude a use[] by the Crown." *Id.* at 420. But this was not the law in the now-independent United States of America. Contrary to the English patent practice, the *McKeever* court pointed out, American patents secured the "mind-work which we term inventions," *id.*, as specifically authorized under the Copyright and Patent Clause in the Constitution. U.S. Const. art. I, § 8, cl. 8.

The *McKeever* court first analyzed the text of the Copyright and Patent Clause as evidence of this fundamental distinction in patent law between the English Crown's *personal* privilege and the American *property* right. *McKeever*, 14 Ct. Cl. at 420; *see also Belding v. Turner*, 3 F. Cas. 84, 85 (C.C.D. Conn. 1871) (No. 1,243) (distinguishing the "personal privilege" granted in an English patent from the "personal chattel" or "personal estate" secured under the U.S. patent laws). The court explained that the language in this constitutional provision – the use of the terms "right" and "exclusive," the absence of the term "patent," and the absence of any express reservation in favor of the government – established that the property rights secured in an American patent were not on the same legal footing as the personal privileges secured by the English Crown. *Id.* at 421. This conclusion was further buttressed by the fact that the Framers empowered Congress, not the Executive, to

secure an inventor's rights – placing this constitutional provision in Article I, not in Article II – which suggested they viewed patents as important property rights secured by the people's representatives, not as a special grant issued by the prerogative of the Executive (the American analog to the Crown). *Id.* Although the Framers did not state their reasons for securing patents in the Constitution, the *McKeever* court concluded that they "had a clear apprehension of the English law, on the one hand, and a just conception, on the other, of what one of the commentators on the Constitution has termed 'a natural right to the fruits of mental labor.'" *Id.* at 420.[10]

The *McKeever* court then quickly canvassed the federal government's interpretation of the Copyright and Patent Clause in the century since the Founding Era, finding again that patents protected important property rights, not special grants of personal privilege. Accordingly, Congress's enactment of the patent statutes, the Executive's use of patented articles via "express contracts," and the Judiciary's interpretation of these statutes and contracts all "forbid the assumption that this government

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[10] The phrase "a natural right to the fruits of mental labor" invokes the classic formulation of the natural rights justification for property. *See, e.g., Vanhorne's Lessee v. Dorrance*, 2 U.S. (2 Dall.) 304, 310 (1795) (Patterson, J.) ("[T]he right of acquiring and possessing property, and having it protected, is one of the natural, inherent, and unalienable rights of man. . . . No man would become a member of a community, in which he could not enjoy the fruits of his honest labour and industry."). Judge Nott did not provide a citation for this quote, but he was likely paraphrasing from a recently published treatise. *See* Theodore D. Woolsey et al., *The First Century of the American Republic* 443 (1876) (discussing how inventors are given "some control over the reproductions of the fruits of mental labor . . . in addition to the natural right to property").

has ever sought to appropriate the property of the inventor." *Id.* Throughout its opinion, *McKeever* repeatedly cited *Cammeyer*, *Burns* and *McClurg* – Supreme Court authority establishing the necessary predicates for the *McKeever* court to conclude that the Takings Clause secured patents as constitutional private property.[11]

Significantly, all of these cases remain good law, especially *McKeever*. Although there appears to be no formal record of an appeal in *McKeever*, this Court referred to it twenty-three years later as having been "affirmed on appeal by this court." *Russell v. United States*, 182 U.S. 516, 531 (1901); *see also United States v. Buffalo Pitts Co.*, 234 U.S. 228, 233 (1914) (citing *McKeever* with similar remark that it was "affirmed by this court"). The split with these historical precedents created by *Zoltek* risks "destroying the legitimate expectations of inventors in their property," *Festo*, 535 U.S. at 739. This demands correction by this Court.

II. Nineteenth-Century Courts Recognized Statutory Property Rights in Patents as Equivalent to Common-Law Property Rights for Purposes of Applying the Takings Clause.

Admittedly, *McKeever* seemed to blithely sweep under the rug a fundamental difference between the patents created and defined by federal statute and the traditional, tangible property rights secured at common law. As the

[11] Although a concurrence and dissent were filed in *McKeever*, none of these additional opinions disputed Judge Nott's disquisition on the nature of American patents as constitutional private property. *See McKeever*, 14 Ct. Cl. at 431-34.

Zoltek court succinctly stated: "patent rights are a creature of federal law." *Zoltek*, 442 F.3d at 1352. *Zoltek* thus concluded that patents are incapable of being protected under the Takings Clause without an express statutory authorization. *Id.* Judge Dyk made the same point in a separate concurrence: "[p]atent rights are creatures of federal statute," and thus he inferred that Congress is free to withhold whatever remedies it sees fit without constitutional limitation. *Id.* at 1370 (Dyk, J., concurring); *see also Zoltek*, 464 F.3d at 1339 (Dyk, J., concurring) (claiming a "decided lack of interest by the Congress and the Supreme Court in creating a takings remedy . . . given the fact that patent rights are created only by federal statute"). The Federal Circuit apparently believes that this difference in doctrinal provenance – federal statute versus common law – establishes that patents are insufficiently similar to traditional property rights to justify their protection under the Takings Clause.

This distinction between statutory and common-law property rights is not new, and in fact was well known in the nineteenth century. *See, e.g.*, *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591, 660-61 (1834). At a minimum, it was implicit in both *Cammeyer* and *McKeever*, in which federal officials defended their actions by equating patent rights created under federal statute with the special patent privileges granted by the English Crown. *See Cammeyer*, 94 U.S. at 234; *McKeever*, 14 Ct. Cl. at 416-17.

Federal officials also defended themselves against takings claims by explicitly invoking this distinction within American law, such as in *Campbell v. James*, 4 F. Cas. 1168 (C.C.S.D.N.Y. 1879) (No. 2,361), *rev'd on other grounds*, *James v. Campbell*, 104 U.S. 356 (1881). In *Campbell*, federal postal officials defended their unauthorized use of a

patented device for postmarking and canceling handstamps by asserting several claims, including a challenge to the patent's validity that this Court ultimately found compelling. *James*, 104 U.S. at 382-83 (holding that the reissued patent was "inoperative and void"). The defendants also claimed that they were immune from suit on the same basis asserted by the *Zoltek* court: The property rights in patents were solely created by federal statutes, which were adopted and enforced by the federal government, and thus such legal rights were not enforceable against agents of the federal government in a federal court. *Campbell*, 4 F. Cas. at 1172.

The *Campbell* court found this sovereign immunity argument unavailing, and rejected it as easily as *Cammeyer* and *McKeever* rejected the similar attempts by federal officials to equate English personal privileges with American property rights. Perhaps unsurprisingly, *Campbell* relied on *Cammeyer* and *Burns* in summarizing the legal status of patents: "The property in a patented invention stands the same as other property." *Id.* (citing *Burns* and *Cammeyer*). By itself, of course, this proposition did not refute defendants' claim to sovereign immunity, but the *Campbell* court quickly drew the logical implication of this observation:

> [The patent] was granted by express law of congress, pursuant to the constitution, without which it could not exist. But, all property is upheld by law, either expressly or impliedly enacted or adopted, all of which is the law of the land, the same as the statutes upholding patents are. This property, like all other private property recognized by law, is exempt from being taken for public use without just compensation, by the supreme law of the land.

Id. Cammeyer, *Campbell*, and *McKeever* consistently and unequivocally rejected arguments by federal officials that they were immune from lawsuit simply because "patent rights are a creature of federal law." *Zoltek*, 442 F.3d at 1352. *Burns* and *McKeever* further established the constitutional rule that "the government cannot, after the patent is issued, make use of the improvement any more than a private individual, without license of the inventor *or making compensation to him*." *Burns*, 79 U.S. at 252 (emphasis added). The sum result of this historical jurisprudence is that patentees have "legitimate expectations" that their property rights are secured under the Takings Clause. *Festo*, 535 U.S. at 739. Given that the Federal Circuit affirmed *Zoltek* by refusing to rehear the case *en banc*, this is a jurisprudential split in both patent and constitutional law that can only be resolved now by this Court.

III. The *Zoltek* Decision Results from Confusion Sowed by *Dictum* in *James v. Campbell* that Patentees Were Unable to Sue Federal Officials Under the Takings Clause.

The *Zoltek* court believed that it was justified in holding that patents are not secured as constitutional private property given the compensation remedy mandated by 28 U.S.C. § 1498. *See Zoltek*, 442 F.3d at 1352 (claiming that "[h]ad Congress intended to clarify the dimensions of the patent rights as property interests under the Fifth Amendment, there would have been no need for the new and limited sovereign immunity waiver" in the 1910 predecessor statute to § 1498). The dissenters agreed with this claim. *See, e.g., Zoltek*, 464 F.3d at 1337 (Newman, J., dissenting) (asserting that, prior to enacting

remedial legislation in 1910, "patents were property, [but] the only remedy for governmental infringement was by appeal to Congress").

However, Congress did not enact the 1910 predecessor statute to § 1498 due to an absence of a remedy under the Takings Clause – a proposition contradicted by *Cammeyer*, *Burns*, *Campbell*, and *McKeever* – but rather in response to Justice Bradley's *dictum* in *James v. Campbell*, 104 U.S. 356 (1881), that courts lacked jurisdiction to hear claims by patentees for a taking of their property. *Id.* at 359. This was *dictum*, as Justice Bradley noted that "the conclusion which we have reached in this case does not render it necessary to decide this question." *Id.* Nonetheless, following *James*, courts became confused as to the constitutional status of the property rights in patents. *See, e.g., Schillinger v. United States*, 155 U.S. 163 (1894) (relying on *James dictum* in summarily concluding patentees were precluded from suing under the Takings Clause without acknowledging *Burns*, *Cammeyer*, or *McKeever*).

This historical context to the 1910 predecessor statute to § 1498 establishes that this legislation was intended to *ratify* the pre-*James* case law and therefore resolve the confusion caused by Justice Bradley's *dictum*. It is surprising that *Zoltek* cited the legislative history to the 1910 statute as allegedly supporting its decision, *see Zoltek*, 442 F.3d at 1351 (citing H.R. Rep. No. 61-1288 at 3 (1910)), because this committee report states that the federal government was using patented inventions without authorization "in flat violation of [the Takings Clause] and the decisions of the Supreme Court." H.R. Rep. No. 61-1288 at 3 (1910). This report frequently cites and quotes from this nineteenth-century case law, such as *Cammeyer*, *Burns*, and *McKeever*. *See id.* at 1-4.

Therefore, this Court should accept Petitioner's Writ of Certiorari in order to resolve the confusion sowed by Justice Bradley's *dictum* in *James*, confirm the actual legislative purpose of the 1910 predecessor statute to § 1498, and correct the conflict created by the *Zoltek* court that now exists in both patent law and constitutional law.

CONCLUSION

For these reasons, *amici* urge this honorable Court to grant the Petition for a Writ of Certiorari.

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